



Department of Justice

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**N.J. WASTEWATER TREATMENT SUPPLY COMPANY OWNER AND A
CONTRACTS ADMINISTRATOR PLEAD GUILTY TO
BID RIGGING, FRAUD AND TAX OFFENSES**

N.J. Wastewater Treatment Supply Company Pleads Guilty to Bid Rigging Charges

WASHINGTON — A Laurel Springs, N.J., wastewater treatment supply company, its owner, and a former contracts administrator pleaded guilty today to bid rigging, fraud and tax charges in connection with sub-contracts for wastewater treatment supplies and services at two Superfund sites in New Jersey, the Department of Justice announced today. The Environmental Protection Agency (EPA)-designated Superfund sites are Federal Creosote Superfund Site (Federal Creosote) in Manville, N.J., and Diamond Alkali Superfund Site (Diamond Alkali) in Newark, N.J.

JMJ Environmental Inc. (JMJ), its owner John Drimak Jr., and Norman Stoerr, a former employee of a prime contractor that provided environmental remediation services at Federal Creosote and Diamond Alkali, today pleaded guilty in U.S. District Court in New Jersey. JMJ and Drimak pleaded guilty to rigging bids at Federal Creosote from approximately October 2002 to approximately February 2006. Drimak also pleaded guilty to one count of conspiracy to defraud the EPA at the Federal Creosote site and to defraud Tierra Solutions Inc. at the Diamond Alkali site. Tierra Solutions is a general contractor based in The Woodlands, Texas. As part of the conspiracy, Drimak participated in a false invoicing and kickback scheme from January 2002 until April 2007. He also pleaded guilty to filing false income tax returns for 2002 through 2005.

Stoerr pleaded guilty to rigging bids at Federal Creosote from approximately October 2002 to approximately October 2003. In addition, Stoerr pleaded guilty to one count of conspiracy to defraud the EPA at the Federal Creosote site and to defraud Tierra Solutions at the Diamond Alkali site by participating in a false invoicing and kickback scheme from the fall of 2000 until approximately the spring of 2004. Stoerr also pleaded guilty to one count of aiding Drimak in the filing of a false income tax return.

“The Department of Justice will prosecute anyone who corrupts the competitive process, particularly where taxpayer dollars are involved,” said Thomas O. Barnett, Assistant Attorney General in charge of the Department’s Antitrust Division.

Drimak, Stoerr and other co-conspirators thwarted the competitive bidding process and defrauded the EPA at Federal Creosote and Diamond Alkali. Drimak provided more than \$26,000 in kickbacks to Stoerr and more than \$385,000 to Stoerr’s former superior, at both the Federal Creosote and Diamond Alkali sites, in exchange for their assistance in allocating certain

sub-contracts to MJJ. The kickbacks were in the form of checks, cash, cruises, home renovations, boat trailers and airline flights. In addition, as part of the fraud scheme, Stoerr and a former superior inflated invoices and accepted kickbacks from three other sub-contractors at Federal Creosote and Diamond Alkali.

The cleanup at Federal Creosote is partly funded by the EPA. An interagency agreement between the EPA and the Army Corps of Engineers designated that the EPA hire the prime contractors at Federal Creosote. At Diamond Alkali, Tierra Solutions was required to fund remedial action and maintenance of the Superfund Site, according to a settlement with the EPA and the New Jersey Department of Environmental Protection. Tierra Solutions hired the prime contractor for the remedial action and maintenance of Diamond Alkali.

Bid-rigging violations by an individual occurring before June 22, 2004, carry a maximum penalty of three years imprisonment and a \$350,000 fine, while bid-rigging violations by an individual occurring after June 22, 2004, carry a maximum penalty of 10 years in prison and a \$1 million fine. The maximum fine for a corporation charged with bid-rigging after June 22, 2004, is \$100 million. The maximum fine for each of these violations may be increased to twice the gain derived from the crime or twice the loss suffered by the victims of the crime, if either of those amounts is greater than the statutory maximum fine.

The fraud conspiracy for which Stoerr and Drimak are charged carries a maximum penalty of five years in prison, three years of supervised release, and a \$250,000 fine. The maximum fine may be increased to twice the gain derived from the crime or twice the loss suffered by the victims of the crime, if either of those amounts is greater than the statutory maximum fine.

The tax violations for which Stoerr and Drimak are charged carry a maximum penalty of three years in prison, one year of supervised release, and a \$100,000 fine.

Today's charges reflect the Department's commitment to protecting U.S. taxpayers from procurement fraud through its creation of the National Procurement Fraud Task Force. The National Procurement Fraud Initiative, announced in October 2006, is designed to promote the early detection, prosecution and prevention of procurement fraud associated with the increase in contracting activity for national security and other government programs.

The ongoing investigation is being conducted by the Antitrust Division's New York Field Office, the EPA Office of Inspector General and Internal Revenue Service Criminal Investigation. Anyone with information concerning bid rigging, kickbacks, tax offenses or fraud relating to sub-contracts awarded at the Federal Creosote site and/or the Diamond Alkali site should contact the Antitrust Division's New York Field Office at 212-264-9308.

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